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Message Text

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ORIGIN TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-08 AID-05 CIAE-00 COME-00
FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 L-03 /086 R

DRAFTED BY TREASURY:POCONNEL
APPROVED BY EB/IFD/OMA:JABWINDER
TREASURY:DSYVRUD
EUR/WE:KSMITH
----------000716 021357Z /50
R 020204Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY LISBON

C O N F I D E N T I A L STATE 027590

E.O. 11652: GDS

TAGS: EFIN, PO

SUBJECT: PORTUGUESE NEGOTIATIONS WITH THE IMF

1. IMF REPRESENTATIVE HANS SCHMITT ADVISED US THAT HE SPOKE WITH GOVERNOR SILVA LOPES ON JANUARY 30 ABOUT THE POSSIBILITY OF ARRANGING A VISIT TO WASHINGTON BY A TECHNICAL LEVEL GROUP FROM PORTUGAL. THE PURPOSE WOULD BE TO BRING THE IMF UP TO DATE ON ECONOMIC DEVELOPMENTS IN PORTUGAL IN ORDER THAT THE FUND AND PORTUGAL COULD COME TO AN AGREEMENT AS QUICKLY AS POSSIBLE AFTER THE FUND RETURNS TO PORTUGAL.

2. ACCORDING TO SCHMITT, SILVA LOPES EXPRESSED SOME SKEPTICISM ABOUT THIS REQUEST BUT HE AGREED TO CHECK IT OUT WITH HIS COLLEAGUES. SILVA LOPES SAID THAT THE LEGISLATURE WILL BE CONSIDERING THE ECONOMIC PROGRAM FOR A WEEK AFTER
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IT IS PRESENTED AND WILL PROBABLY NOT BE FINISHED BEFORE THE 13TH OF FEBRUARY, AFTER WHICH AN INVITATION WOULD BE EXTENDED TO THE FUND. SCHMITT SAID THAT IF THE FUND RECEIVES AN INVITATION BY FEBRUARY 15 IT WILL BE CONSISTENT WITH THEIR PLANS TO RETURN TO PORTUGAL ABOUT THE END OF THE MONTH.

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3. SCHMITT AND OTHER SENIOR IMF OFFICIALS EARLIER COMMENTED TO US THAT BEFORE ACCEPTING AN INVITATION TO RETURN TO PORTUGAL THEY WANT TO INSURE THAT NEGOTIATIONS WILL BEGIN AT THE POINT AT WHICH THEY LEFT OFF LAST NOVEMBER. WE BELIEVE THAT THE FUND THINKS THAT EARLY MEETINGS WITH A PORTUGUESE TECHNICAL GROUP COULD BE HELPFUL TO THE FUND IN PROVIDING A BETTER ASSESSMENT OF THE NEGOTIATING STATUS, AS WELL AS THE STATUS OF ECONOMIC DEVELOPMENTS IN PORTUGAL.

4. WE HAVE JUST LEARNED THAT A PORTUGUESE GROUP COMPOSED OF MRS. CONSTANCIO, TEODORA CARDOSA AND OWEN GONZALES WILL PARTICIPATE IN DISCUSSIONS WITH THE IMF IN WASHINGTON FROM FEBRUARY 9 THROUGH 15. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, NEGOTIATIONS, VISITS, MEETINGS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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Disposition History: n/a
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Disposition Remarks:
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TAGS: EFIN, PO, US, IMF
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